

Title 27. Transportations.
Subtitle 2. Motor Vehicle Registration and Licensing.
Chapter 22. Motor Vehicle Liability Insurance.
Subchapter 22. Motor Vehicle Liability Insurance.

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27-22-101. Legislative intent - Applicability.

(a) This chapter is not intended in any way to alter or affect the validity of any policy provisions, exclusions, exceptions, or limitations contained in a motor vehicle insurance policy required by this chapter.

(b) The provisions of this chapter shall not be applicable to state-owned vehicles nor to state employees while operating the state-owned vehicles.

27-22-102. Construction.

The provisions of this chapter shall be supplemental to and cumulative to the Motor Vehicle Safety Responsibility Act, § [27-19-101](#) et seq.

27-22-103. Penalty.

(a) Except as provided in subsection (b) of this section, any person who operates a motor vehicle within this state shall be subject to a mandatory fine of not less than fifty dollars (\$50.00) nor more than two hundred fifty dollars (\$250) unless the vehicle is covered by a certificate of self-insurance or an insurance policy as required under § [27-22-104\(a\)](#)(1).

(b)(1) Any person who operates a motor vehicle in violation of § [27-22-104\(a\)](#)(1) shall be fined not less than two hundred fifty dollars (\$250) nor more than five hundred dollars (\$500) for the second offense, and the minimum fine shall be mandatory.

(2) Any person who operates a motor vehicle in violation of § [27-22-104\(a\)](#)(1) shall be fined not less than five hundred dollars (\$500) nor more than one thousand dollars (\$1,000) or sentenced to one (1) year in jail, or both, for the third offense or for any subsequent offenses.

(3) Upon a showing that liability coverage required by §§ [27-22-101](#) - [27-22-104](#) was in effect at the time of arrest, the judge may dismiss the charge imposed under this act, and the penalties therefore shall not be imposed.

(c)(1) If the arresting officer was an officer of the Department of Arkansas State Police, the fine shall be deposited in the State Treasury and credited to the Department of Arkansas State Police Fund to be used for the purchase and maintenance of state police vehicles.

(2) If the arresting officer was a county law enforcement officer, the fine shall be deposited in that county fund used for the purchase and maintenance of rescue, emergency medical, and law enforcement vehicles, communications equipment, animals owned or used by law enforcement agencies, life-saving medical apparatus, and law enforcement apparatus to be used for those purposes.

(3) If the arresting officer was a municipal law enforcement officer, the fine shall be deposited in that municipal fund used for the purchase and maintenance of rescue, emergency medical, and law enforcement vehicles, communications equipment, animals owned or used by law enforcement agencies, life-saving medical apparatus, and law enforcement apparatus to be used for those purposes.

27-22-104. Insurance required - Minimum coverage.

(a)(1) It shall be unlawful for any person to operate a motor vehicle within this state unless the vehicle is covered by a certificate of self-insurance under the provisions of § [27-19-107](#), or by an insurance policy issued by an insurance company authorized to do business in this state.

(2) Failure to present proof of insurance coverage at the time of arrest and a failure of the vehicle insurance database to show current insurance coverage at the time of the traffic stop creates a rebuttable presumption that the motor vehicle is uninsured.

(b) The policy shall provide as a minimum the following coverage:

(1) Not less than twenty-five thousand dollars (\$25,000) for bodily injury or death of one (1) person in any one (1) accident;

(2) Not less than fifty thousand dollars (\$50,000) for bodily injury or death of two (2) or more persons in any one (1) accident; and

(3) If the accident has resulted in injury to or destruction of property, not less than twenty-five thousand dollars (\$25,000) for the injury to or destruction of property of others in any one (1) accident.

(c)(1) If the operator of the motor vehicle is unable to present proof of the vehicle's insurance coverage as required in subsection (a) of this section when requested by a law enforcement officer or if a check of the vehicle insurance database at the time of the traffic stop fails to show current insurance coverage, the operator shall be issued, in addition to any traffic citation issued for a violation of this section, a notice of

noncompliance with the provisions of this section on a form to be provided to the Department of Finance and Administration.

(2) The officer shall forward a copy of the notice of noncompliance to the department within ten (10) days of issuance.

(3)(A) In addition, the officer shall remove and impound the license plate attached to the vehicle.

(B) The license plate shall be returned to the Office of Driver Services or to the local revenue office.

(d)(1) The law enforcement officer who removes and impounds the license plate pursuant to subdivision (c)(3)(A) of this section shall issue for attachment to the rear of the vehicle a temporary sticker denoting its use in lieu of an official license plate.

(2) The sticker shall bear the date upon which it shall expire in written or stamped numerals or alphabetic characters not less than three inches (3") in height.

(3) This temporary sticker shall only be effective for a period of ten (10) days beginning from the day on which the license plate was taken.

(4) The temporary stickers shall be designed by the department and supplied at no cost to all law enforcement agencies authorized to enforce traffic laws in Arkansas.

(e)(1) Upon receipt of the notice of noncompliance by the department, the department shall proceed to suspend the registration of the uninsured vehicle effective ten (10) days after the license plate was taken and the notice of noncompliance was issued.

(2) However, if the vehicle was insured at the time of the offense, the owner of the vehicle shall have ten (10) days to present proof of insurance coverage or other financial security in effect at the time of the offense, whereupon the license plate shall be returned at no cost to the owner of the vehicle.

(f) Any suspension by the department under this section shall be subject to the notice and hearing provisions of § [27-19-404](#) and shall remain in effect and no registration shall be renewed for or issued to any person whose vehicle registration is so suspended until:

(1) The person shall deposit or there shall be deposited on his behalf sufficient security as provided for under the Motor Vehicle Safety Responsibility Act, § [27-19-101](#) et seq.; or

(2) The person shall furnish the department one of the following:

(A) A certificate of self-insurance under the provisions of § [27-19-107](#); or

(B) A sufficient insurance policy issued by an insurance company authorized to do business in this state.

(g)(1) In order to reinstate the suspended registration and be reissued a license plate for any suspended motor vehicle, the owner shall present the proof of renewed or new financial coverage required in subdivision (f)(1) or (2) of this section to the department

and shall pay to the department a twenty dollar (\$20.00) fee for reinstatement of the registration and reissuance of the license plate.

(2) The revenues derived from this reinstatement fee shall be deposited as a special revenue to the State Central Services Fund and credited as a direct revenue to be used by the department to offset the costs of administering this section.

(3) This fee shall be in addition to any other fines, fees, or other penalties for other violations of this section.

(h) The department shall promulgate necessary rules and regulations for the administration of this section.

27-22-105. Inadequate insurance during an accident - Penalty.

(a) When the operator of any motor vehicle is involved in a motor vehicle accident in this state and the vehicle is found not to be adequately insured, as required by § [27-22-104\(a\)](#)(1), the operator shall be deemed guilty of a Class A misdemeanor.

(b) In addition, if a person is convicted of driving an inadequately insured vehicle which has been involved in an accident under subsection (a) of this section, the court may order that the vehicle be impounded until proof of vehicle insurance coverage is made to the court. The owner of the vehicle impounded shall be responsible for all costs of impoundment.

27-22-106. Cancellation of policy or contract - Administrative revocation or suspension of license.

No policy or contract of insurance covering a motor vehicle may be cancelled solely because of the administrative revocation or suspension of the driver's license of the owner or operator of the motor vehicle under § [5-65-104](#).

27-22-107. Motor vehicle insurance reporting.

(a) Beginning January 1, 1998, each insurance company providing motor vehicle liability insurance coverage required under subsection (a) of § [27-22-104](#) shall, before the seventh day of each calendar month, provide to the Revenue Division, Department of Finance and Administration, a record of each motor vehicle insurance policy in effect as of the previous month that was issued by the insurance company. The reports shall be provided to the Revenue Division through any means of electronic or electro-magnetic medium available to and approved by the department, unless the insurance company qualifies for an exception to this electronics reporting requirement as a result of being a small or low-volume insurer as may otherwise be provided for under regulations promulgated by the department.

(b) The reports may include:

(1) The name, date of birth, driver's license number of each insured owner or operator, and the address of the named insured;

(2) The make, year, and vehicle identification number of each insured vehicle; and

(3) The policy number, effective date, and expiration date of each policy.

(c) The Department of Finance and Administration may, following procedures set forth in regulations promulgated by the department, assess a penalty against each insurance company of up to two hundred and fifty dollars (\$250) for each day the insurance company fails to comply with this section. If an insurance company shows that the failure to comply with this section was inadvertent, accidental, outside of the control of the company, or the result of excusable neglect, the director may excuse the penalty. The moneys collected from these penalties shall be deposited as a special revenue to the State Central Services Fund and the net amount shall be credited as a direct revenue to be used by the Department of Finance and Administration to offset the costs of administering this section.

(d) The Department of Finance and Administration shall promulgate necessary rules and regulations for the administration of this section.

27-22-108. Motor vehicle insurance comparison - Registration, revocation, and reinstatement procedures.

(a) With the information provided to the Department of Finance and Administration under § [27-22-107](#), the Office of Motor Vehicle shall, at least monthly, compare all current motor vehicle registrations against the Vehicle Insurance Database.

(b) If the comparison under subsection (a) of this section shows that a motor vehicle is not insured for three (3) consecutive months, the office shall provide notice of noncompliance to the owner of the motor vehicle. That owner has thirty (30) days to provide to the office proof that the vehicle is covered, either by:

(1) A certificate of self-insurance under the provisions of § [27-19-107](#); or

(2) An insurance policy in amounts required under § [27-22-104](#) issued by an insurance company authorized to do business in this state.

(c)(1) If the owner fails to provide satisfactory proof, the department shall proceed to suspend the registration of the uninsured vehicle effective thirty (30) days after the notice of noncompliance was issued.

(2) An owner who has the owner's vehicle registration suspended in accordance with this subsection shall not be reissued a registration for that vehicle or have a registration renewed on the vehicle until the owner presents proof of insurance coverage or other financial security and pays the reinstatement fees provided for in subsection (e) of this section.

(3)(A) If proof that insurance coverage or other financial security was in effect at the time the notice was sent is presented within thirty (30) days of the notice being sent, the vehicle insurance database shall be updated and the registration suspension actions shall cease at no cost to the owner of the vehicle.

(B) If proof that insurance coverage or other financial security was in effect at the time the notice was sent is presented later than thirty (30) days after the notice was sent,

the vehicle insurance database shall be updated and the registration will be restored effective on the date the proof was presented.

(d) Any suspension by the department under this section shall be subject to the notice and hearing procedures under § [27-19-404](#) and shall remain in effect, and no registration shall be renewed for or issued to any person whose vehicle registration is so suspended until:

(1) The person shall deposit or there shall be deposited on the person's behalf sufficient security as provided for under the Motor Vehicle Safety Responsibility Act, § [27-19-101](#) et seq.; or

(2) The person shall furnish the department one of the following:

(A) A certificate of self-insurance under the provisions of § [27-19-107](#); or

(B) An insurance policy in amounts required under § [27-22-104](#) issued by an insurance company authorized to do business in this state.

(e)(1) In order to reinstate the suspended registration and be reissued a new or renewed registration for any suspended motor vehicle, the owner shall present the proof of renewed or new financial coverage required in subdivision (d)(1) or (2) of this section to the department and shall pay to the department a fifty-dollar fee for reinstatement of the registration.

(2) The revenues derived from this reinstatement fee shall be deposited as special revenues to the State Central Services Fund and credited as direct revenues to be used by the department to offset the costs of administering this section.

(3) This fee shall be in addition to any registration fees, other fees, or other penalties for violations of the motor vehicle registration laws that shall be due and payable at the time of reinstatement.

(f)(1) The registration of a vehicle that is out of service shall be suspended upon receipt of a notice from the owner stating that the vehicle is out of service. Once the vehicle is returned to service, the owner shall submit proof of insurance coverage or other financial security and the registration shall be restored at no charge.

(2) The out-of-service notice shall be on a form designed and approved by the Director of the Department of Finance and Administration.

(g) The department shall promulgate necessary rules and regulations for the administration of this section.